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HARYANA GOVERNMENT

INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 10th June, 2016

No. 49/43/2015-4IBI.— In pursuance to the provision under Chapter 12 of Enterprises Promotion Policy, 2015 notified *vide* No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to notify the “Employment Generation Subsidy Scheme” with an objective to create employment opportunities for the persons of skilled/ semi-skilled category belonging to Haryana by their capacity building, with the following provisions:

1. Quantum of Assistance:

(i) Mega Projects:

The industrial units engaging minimum of 50% persons belonging to Haryana (skilled/ semi-skilled) of their total employment would be allowed subsidy @ Rs. 36,000/- per person per year for SC/Women category and Rs. 30,000/- per person per year for General category for 5 years or 20% of the VAT/SGST deposited in ‘B’, ‘C’ & ‘D’ category blocks, whichever is less.

(ii) Large Projects:

The industrial units engaging minimum of 50% persons belonging to Haryana (skilled/ semi-skilled) of their total employment would be allowed subsidy @ Rs. 36,000/- per person per year for SC/Women category and Rs. 30,000/- per person per year for General category for 5 years or 20% of the VAT deposited, in ‘C’ & ‘D’ category blocks, whichever is less.

2. Definitions:

(i) Mega Project:

Mega projects are the projects involving fixed capital investment of over Rs. 100 Crore and above, or generating direct employment of more than 200 persons in ‘D’ category blocks and fixed capital investment over 100 crore or generating direct employment of more than 500 persons in ‘B’ & ‘C’ category blocks. The projects undertaking expansion/ diversification with same criteria of Investment and Employment shall also be treated as Mega Projects. Besides, the projects related to manufacturing sector, other sector projects including Health, Education, Skill Development, Research & Development, Logistics, Testing Labs, exhibition centers, power sector etc. would also qualify as mega projects subject to fulfilling the above mentioned criteria.

(ii) Large Project:

Where the investment in plant & machinery is more than 10 crore rupees (or over and above of limit of Medium units defined under MSMED the Act, 2006 time to time) and does not exceed 100 crore rupees.

3. Commencement and Applicability:

The Scheme shall commence with effect from 15th August, 2015 and shall remain in operation for a period of 5 years or till the time Government decides otherwise. The industrial unit which has taken effective steps for the setting of industrial units such as filing of IEM, purchase & installation of plant and machinery after 14th August, 2015 and before 14th August, 2020 shall be eligible under the scheme.

4. Eligibility Criteria:

The Industrial Units under Mega and Large category set up after the notification of Enterprises Promotion Policy 2015 *i.e.* 14th August, 2015 shall be eligible for the Employment Generation Subsidy. The Industrial Units must comply with the following conditions:

- (i) The unit should have filed IEM with the competent Authority.
- (ii) The unit should have taken effective steps for setting of their unit after 14th August, 2015.
- (iii) The unit shall be eligible for subsidy only in respect of direct employment.
- (iv) The unit should not have been placed in the restrictive list as notified by the State government from time to time.
- (v) The unit should have obtained NOC/CLU from competent Authority if applicable.
- (vi) The unit should be in commercial production.
- (vii) The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.

5. Procedure:

- (a) Application on prescribed Form (Annexure-I) for the grant of Employment Generation Subsidy in respect of persons having domicile certificate of Haryana (skilled/ semi-skilled) category along with listed documents would be submitted to the Director of Industries & Commerce, on the web portal of the department within 03 months from the date of closing of the financial year or within two months from the date of notification of the scheme, whichever is later. The applicant would have to apply for the claims of subsequent years on the same pattern. The schedule cast certificate shall also be attached in respect of SC category employees.
- (b) The application would be processed and examined. The deficiencies, if any, would be communicated to the applicant in writing within a period of 20 working days and the applicant would be given a time period of eight weeks to rectify the deficiencies so pointed out.
- (c) In case the deficiencies are not removed within prescribed period, the claim may be filed by the Competent Authority *i.e.* Additional Director, under intimation to the party through an e-mail. The enterprise shall not be required to submit any additional document other than specified under Annexure-I without approval of competent Authority.
- (d) The claim application so filed may be reopened with the orders of Administrative Secretary Industries & Commerce provided request for the same is received within a period of 30 days from the date of rejection of the claim by the designated Competent Authority.

6. Time Limit to apply :

An enterprise shall forfeit its entitlement for the employment generation subsidy for the capacity building of persons belonging to Haryana (skilled/ semi-skilled), if it does not submit its claim, complete in all respects within 03 months from the date of closing of the financial year.

7. Competent Authority for Sanction :

Director, Industries & Commerce shall be competent authority for sanction of Employment Generation Subsidy within 30 days from the date of completion of the claim.

8. Interpretation of Rules:

Administrative Secretary Industries & Commerce, Haryana shall be competent to make interpretation of provisions of this scheme.

9. Appeal

Appeal against orders passed by the Competent Authority shall lie with the Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of orders appealed against and orders passed by the Administrative Secretary shall be final.

10. Penal Action

In case, it is found at any stage that the applicant has claimed employment generation subsidy on the basis of wrong facts, the applicant shall besides refunding assistance with compound rate of interest @12% per annum and facing legal action, will be debarred from grant of any incentive/assistance from the State Government.

DEVENDER SINGH,
Principal Secretary to Government Haryana,
Industries and Commerce Department.

Annexure-‘I’

Application Form for availing Employment Generation Subsidy.

Sr. No.	Particular	Details
1.	Name of the applicant (Authorized person of the unit)	
2.	Name & Address of the unit with telephone No. and e-mail	
3.	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership)]	
4.	Name of the block in which the enterprise is located and category of Block i.e. B/C/D	
5.	Category of the unit (Mega/Large)	
6.	IEM acknowledgment No. & Date	
7.	Date of commencement of commercial production (As per first sale bill)	
8.	Item of manufacture/processing	
9.	Category under which employment generation subsidy has been claimed (i) Mega projects (ii) Large units	
10.	Details of the employees on the roll of the applicant's unit.	
	(a) Total no. of employees (skilled/ semi-skilled)	
	(b) No. of employees belonging to Haryana	
	(i) No. of employees belonging to SC/Women of Haryana	
	(ii) No. of employees belonging to Gen. category of Haryana	
11.	Quantum of employment generation subsidy claimed for the year.	
12.	Details of effective steps taken for setting up of industrial unit after 14.8.2015 (attached CA certificate)	
13.	Amount of net VAT/SGST deposited in the State by the applicant during the financial year of which claim has been filed (attached DETC certificate)	
14.	Details of Employment Generation Subsidy claimed earlier yearwise	

15. Self attested copies of documents to be annexed with the application:

- (i) Acknowledgement of IEM.
- (ii) Copy of first sale bill.
- (iii) Certificate of Incorporation/ Partnership deed.
- (iv) Board resolution/ Power of attorney
- (v) Change of Land Use (CLU)/ NOC from competent authority, if applicable.
- (vi) Copies of Statutory returns for the amount of contribution of EPF and ESI, where ever applicable or copy of insurance policy obtained for medical treatment of employees, along with list of employees of the year pertaining to the claim.
- (vii) Details of employees in prescribed performa on the letter head of the company duly verified by Labour officer concerned in Annexure ‘II’.
- (viii) CA certificate regarding effective steps and amount of Employment Generation Subsidy (Annexure-‘III’).

-
- (ix) Certificate from concerned Deputy Excise & Taxation Commissioner (Sale Tax) regarding net VAT/SGST deposited by the applicant during the financial year of which claim has been filed (Annexure 'IV').
 - (x) Copy of Domicile Certificate from competent authority as a proof of Haryana resident.
 - (xi) Copy of SC Certificate from competent authority in respect of SC employees.

Signature of the applicant
(with seal)

Undertaking/Declaration (to be submitted on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number) or First Class Magistrate):

I, _____ do hereby solemnly state that I am proprietor/partner/director/_____ of M/s _____ located _____ which is engaged in the manufacture of _____ and I have been authorized to file the Employment Generation Subsidy claim with the Department of Industries and Commerce, Haryana.

2. I do hereby affirm that the particulars given in the application are correct. In case any of the statement/information furnished in the application/ documents later found to be wrong or incorrect or misleading, I do hereby undertake to refund the entire amount of assistance of Rs. _____ (Rupee _____) granted to me at the compound rate of interest @12% per annum, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification/ checking or otherwise at any stage.

Dated:

Signature of the applicant
(with seal)

Annexure – ‘II’**Details of employees belonging to Haryana as under:-**

Sr. No.	Name	Father's name	Permanent Address	Category (SC/Women/Gen.)	Skilled/ Semi-skilled	Date of enrolment	Wages per month	Total Duration of the employment during the financial year	*Adhar Card No./ Domicile Certificate No.

*Attach ID proof of employees belonging to Haryana.

Dated:

Signature of the applicant
(with seal)

Verified that the above employees under skilled and semi-skilled category are on the rolls of the industrial unit.

Labour Officer

Annexure-‘III’**Certificate from Chartered Accountant in respect of Employment Generation Subsidy (on a CA letter head)****TO WHOM IT MAY CONCERN**

The document & records of M/s with their regd. office atand factory located at in respect of the wages paid to skilled/ semi-skilled employees during the financial year have been verified as per muster roll/ cash book/ bank account of the industrial unit/ statutory return of EPF and ESI filed by the company and it is certified that the said industrial unit has paid total wages of Rs. (Rupees) to (number) of skilled/ semi-skilled employees, which are the resident of Haryana as per Adhaar Card/ Domicile certificate of each employee produced, out of the total number of skilled / semi-skilled employees.

AND

Verified from the books of accounts of above unit, the total investment of the industrial unit as on date stands as under:

- (a) Land
- (b) Building
- (c) Plant & Machinery (original value)

Further certified that the unit has purchased and installed plant & machinery after 14th August, 2015.

Name & signature of the Chartered Accountant
with stamps & CA membership number

Dated

Annexure-‘IV’

Certificate of net VAT/SGST paid during the financial year _____ to be obtained from concerned Deputy Excise and Taxation Commissioner.

1. Name and Address of the Industrial Unit:
2. VAT/SGST Registration No.:
3. Net amount of VAT/ SGST paid
by the company during the financial year _____
4. Certified that net VAT/SGST amount of rupees _____ has been deposited in the State on the sale of goods/ products manufactured by M/s _____ during the financial year _____
5. It is also certified that no refund what so ever has been made to the unit out of the above amount given in Sr. No. 4.

Date:

Deputy Excise & Taxation Commissioner
District _____

HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 10th June, 2016

No. 49/43/2015-4IBI.— In pursuance to the provision under chapter 12 of Enterprises Promotion Policy-2015 notified No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to notify the “Freight Assistance Scheme” for the exporting MSMEs located anywhere in the State. The scheme will consist of the following provisions:

1. Objective

MSMEs exporting units located in the state have to incur additional transportation cost due to large distances from sea ports which make their products uncompetitive in comparison to the exporting units located in the coastal area. In order to enhance competitiveness of exporting units, this scheme will defray the transportation cost.

2. Quantum of Assistance

The freight assistance to the extent of 1% of Free on Board (FOB) value or actual freight excluding government fee and taxes on transportation of goods from place of manufacture to the sea port from where they are shipped, whichever is less and maximum upto Rs. 20 lakh per annum will be provided for export of goods, manufactured by the exporting MSME set-up anywhere in the State.

3. Definition

3.1 “Director” means the Director of Industries & Commerce, Haryana

3.2 “Joint Director” means the Joint Director/ Deputy Director, District Industries Centre of concerned district.

3.3 “Exporting unit” means a unit which has filed Entrepreneur Memorandum (EM) Part-II/ UAM/ SSI Registration as Micro, Small and Medium Enterprises (MSME) with concerned District Industries Centre in accordance with provisions of MSME Development Act, 2006.

3.4 Same Management: The units having common share holding/ partnership morethan 51% in case of companies/ partnership firms. The units under the same management will be treated as one unit.

3.5 “Financial Year” means the year beginning from 1st April to 31st March.

4. Commencement and Applicability

The scheme shall commence with effect from 15th August 2015 and shall remain in operation for a period of 05 years or till the time Government decides otherwise. The freight assistance shall be admissible on goods shipped (*i.e.* bill of lading) on or after 15th August 2015 and before 14th August. 2020.

5. Grant of Assistance

5.1 Eligibility

5.1.1. The amount of assistance shall be calculated on FOB value of the export consignment as certified by the office of Custom & Central Excise indicated in the shipping bill.

5.1.2. All MSMEs existing anywhere in the State under the same management/ constitution shall be clubbed together and the maximum ceiling of the eligible amount of freight subsidy put together shall not exceed Rs. 20 lakh in a financial year.

5.1.3 The assistance will be admissible only in case of direct export of the goods manufactured by the exporting unit. No amount will be given for the export by air.

5.1.4 The unit should have filed EM Part-II/UAM/obtained SSI Registration with/from concerned District Industries Centre before submitting its claim.

5.1.5 The unit should have obtained registration-cum- membership certificate from Export Promotion Council.

5.1.6 The unit should have obtained Importer-Exporter code from DGFT.

5.2 Procedure

(i) Application in Form F(a) for the grant of freight assistance on export undertaken alongwith document mentioned therein will be submitted on the web portal of the department within a period of 3 months from the date of closing of the financial year in which, the products were shipped for exports .

- (ii) The application will be processed and examined. The deficiencies, if any, will be communicated to the applicant in writing within a period of 20 working days.
- (iii) In case the deficiencies are not removed even after lapse of eight weeks, the claim will be filed by the Competent Authority *i.e.* Additional Director, under intimation to the unit through an e-mail. The Exporting unit shall not be required to submit any additional document other than specified at Sr. No. 9 of the Form F (a) without approval of competent Authority.
- (iv) The claim application so filed may be reopened with the orders of Director of Industries & Commerce provided request for the same is received within a period of 30 days from the date of filing the claim by the designated Competent Authority. For period exceeding 30 days, the case will be reopened with the orders of Administrative Secretary Industries and Commerce, if the request for the same is received within a period of 2 months from the date of filling the claim by the Additional Director.

5.3 Competent Authority for Sanction

Director, Industries & Commerce shall be competent authority for sanction of freight subsidy above Rs. 10 lakh to Rs. 20 lakh whereas Additional Director Industries shall be competent to sanction upto Rs. 10 lakh within 30 days from the date of completion of the claim.

5.4 Time Limit to apply

An enterprise shall forfeit its entitlement for the Freight assistance, if it does not submit its claim, complete in all respects within three months from the date of closing of the Financial Year in which the products were shipped for exports.

5.5 Interpretation

Administrative Secretary Industries and Commerce, Haryana shall be competent to make interpretation of provisions of this scheme.

5.6 Appeals

- (a) Appeal against orders passed by the Competent Authority shall lie with the Director of Industries & Commerce, Haryana.
- (b) Appeal against orders passed by the Director of Industries & Commerce, Haryana shall lie with the Administrative Secretary Industries & Commerce, Haryana and orders passed by the Administrative Secretary Industries and Commerce in appeal shall be final.
- (c) Appeals mention in 5.6 (a) 5.6 (b) shall be admissible within a period of 30 days from the date of communication of orders appealed against.

6. Penal Action

In case, it is found at any stage that the applicant has claimed freight assistance on the basis of wrong facts, the applicant shall besides refunding assistance with compound rate of interest @12% per annum and facing legal action, will be debarred from grant of any incentive/assistance from the State Government.

DEVENDER SINGH,
Principal Secretary to Government Haryana,
Industries and Commerce Department.

FORM F (a)*[Clause 5.2 (i)]***Form of Application for the grant of Freight Assistance**

1. Name of the applicant (Authorized person):
2. Adhaar Number:
3. Name of the applicant unit:
4. Address of the unit with telephone number and e-mail:
5. Items of exports:
6. Constitution of the exporting unit:
[Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership) etc.]
7. EM Part-II/UAM No. & Date:
8. Import-Export Code Number:
9. Name of the concerned Bank through which export transaction undertaken:
10. Details of export & amount of freight assistance claimed:

Year	Total FOB value certified by custom & central excise as per Annexure-1	1% of total FOB value	Total amount of freight paid from place of manufacture to the port as per CA certificate	Amount of freight subsidy claimed (1% FOB or freight paid, whichever is less)

11. Self attested copies of documents to be attached with the claim : -
 - (i) Acknowledgement of EM Part-II/ UAM.
 - (ii) Certificate in Form "A" and Form "C" issued by Registrar/District Registrar of Firms & Societies, alongwith a copy of Partnership Deed/Certificate of the Incorporation of the Company in case of limited companies.
 - (iii) Special Power of Attorney (duly attested by Notary Public)/ Resolution of Board of Directors of the Company in Form (b)/F(c) in original in case of limited companies.
 - (iv) Registration-cum-membership issued by relevant Export Promotion Council.
 - (v) Certificate of Importer Exporter Code (IEC) issued by DGFT.
 - (vi) Shipping Bills (EP Copy).
 - (vii) Bank Realization Certificate of concerned shipping bill.
 - (viii) Land proof- allotment letter/rent deed/lease deed.
 - (ix) Change of Land use (CLU)/NOC from competent authority, if applicable.
 - (x) Chartered Accountant Certificate in respect of total eligible amount of Freight paid from place of manufacture to the sea port in the prescribed form F (d).
 - (xi) Chartered Accountant Certificate in respect of total FOB Value in the prescribed form F (e).
 - (xii) Details of exports in Annexure-1.

Signature of Applicant
(with seal)

Undertaking/Declaration (to be submitted on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number or First Class Magistrate):

I, _____ do hereby solemnly state that I am proprietor/partner/director/_____ of M/s _____ located _____ which is engaged in the manufacture of _____ and export of goods manufactured in Haryana and I have been authorized to file this freight assistance claim with the Department of Industries and Commerce, Haryana.

2. I do hereby affirm that the goods on which freight assistance has been claimed, have been manufactured/assembled/ processed in my above said unit.

3. I do hereby undertake to refund the entire amount of assistance of Rs. _____ (Rupees _____) granted to me at the compound rate of interest @12% per annum, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification/ checking or otherwise at any stage.

Dated:

Signature of the applicant
with complete address.
(with seal)

Annexure -1**DETAILS OF EXPORTS:**

Sr. No.	Shipping Bill No. & date	FOB value certified by custom	1% of FOB value	Bill of lading No. & date
	Total		---	---

Note : Attach copies of shipping bills (EP Copy).

Signature of Applicant
(with seal)

FORM F (b)
SPECIAL POWER OF ATTORNEY
(Duly attested by Notary Public)

Know all men by whom these present that we

(i) _____ son/wife/daughter of Mr. _____

(ii) _____ son/wife/daughter of Mr. _____ partners of M/s _____

are much engaged in and pre-occupied in our business. We therefore, jointly and severally do hereby assign, constitute, nominate and appoint one of the partners Mr./ Ms./Mrs./_____ son/wife/daughter of Mr. _____ to act for and on our behalf jointly as well as severally as our lawful special attorney.

2. We fully authorize our above mentioned special attorney to file all essential relevant documents required for the receipt of Freight Assistance admissible under the Enterprises Promotion Policy-2015 in the office of Director of Industries & Commerce, Haryana, Chandigarh for and on our behalf jointly and severally to conduct enquiry, make application(s) and affidavit(s) to execute enquiry, any or all documents required for the receipt of above said assistance. He/she is further authorized to receive the assistance amount from the Department of Industries and Commerce and to issue actual payees receipt at the time of disbursement of assistance amount. And to do all acts, deeds and things whatsoever out above and special attorney deems fit, proper and advisable.
 3. All the acts, deeds and things done by our said Special attorney shall be binding on each of us both jointly and severally and it will be construed that we have done the said personally.
 4. In witness thereof we set our hand on this date _____ at _____.
- Executants(s)

Witnesses

No. 1 _____

Address _____

No. 2 _____

Address _____

Form F (c)**COPY OF THE RESOLUTION PASSED IN THE BOARD OF DIRECTOS MEETING HELD ON -----
AT THE REGISTERED OFFICE OF THE COMPANY.**

Resolved unanimously that Mr/ Ms/ Mrs. _____. Director /_____ of the Company, be and is hereby authorized to file any document/affidavit or give any undertaking for filing the claim and receiving the money from the Government with respect to Freight Assistance applicable to us as per Enterprises Promotion Policy-2015 in the office of Director of Industries & Commerce, Haryana, Chandigarh for and on behalf of the company to conduct enquiry, make application(s) to the above office for the development of the industrial unit. He/she is further authorized to receive the Freight Assistance amount from the Department of Industries and to issue actual payees receipt at the time of disbursement of assistance amount. And to do all acts, deeds and things whatsoever out above and special attorney deems fit, proper and advisable.

2. He/she will be the authorized signatory of the company with regard to all matters pertaining to or arising out of the avilment of Assistance. All the acts, deeds and things done by him shall be binding on the Company.

Specimen signature (attested)

Chairman/Managing Director

Form F (d)**Chartered Accountant's Certificate**

Certified that the bills in respect of Freight paid from place of manufacture to the sea port and related accounts produced by the Exporting units namely _____ have been verified and the total actual freight charges of Rs. _____ has been paid by the Exporting unit excluding the charges on account of fees and taxes from the period _____ to _____, which is eligible for consideration of Freight Assistance.

Name of the Signatory
(Chartered Accountant)

Seal of the company and registration no.

Form F(e)**Chartered Accountant's Certificate**

Certified that the shipping bills certified by Custom and Central Excise, bank realization certificates and related accounts produced by the Exporting units namely _____ have been verified and the total FOB value of the goods exported comes to Rs. _____ from the period _____ to _____, which is eligible for consideration of Freight Assistance.

Name of the Signatory
(Chartered Accountant)

Seal of the company and registration no.

Form F (f)**Certificate from Chartered Accountant regarding investment in plant & machinery (on a CA letter head)**To whom it may concern

The records of M/s with their regd. office at and factory located at in respect of investment in plant & machinery (original purchase value) of the industrial unit has been verified. It is certified that the investment in plant & machinery as on date..... stands as Rs.....

Name & signature of the Chartered Accountant
with stamps & CA membership number.

Dated

HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 10th June, 2016

No. 49/43/2015-4IBL.— In pursuance to the provision under Chapter 12 of Enterprises Promotion Policy-2015 notified No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to notify the “Interest Subsidy Scheme” with an objective to provide affordable credit to the Micro & Small Enterprises of any sector and as well medium enterprises of thrust sectors for setting up of their units in the following sectors with the provisions given hereunder:

1. Quantum of Assistance

A. Micro & Small Enterprises other than Thrust Sectors:-

- (a) @5% for new Micro & Small Enterprises on term loan or maximum upto Rs.10.00 lakh per year for 3 years in ‘B’, ‘C’ & ‘D’ categories blocks & shall not exceed amount of net VAT/SGST paid during the relevant year.
- (b) @ 5% for existing micro & Small enterprises on term loan for expansion / diversification / modernization of plant & machinery and technology which are not covered under Credit Linked Capital Subsidy Scheme (CLCSS) of Govt. of India or maximum upto Rs. 10.00 lakh per year for 3 years in ‘B’, ‘C’ & ‘D’ Categories & shall not exceed amount of net VAT/SGST paid during the relevant year. The list of products / industries falling under the CLCSS Scheme of GoI is mentioned under **Annexure-I**.

B. Micro, Small & Medium Enterprises under Thrust Sectors:

- (i) **Textile Sector (apparel/ knitting/ embroidery/ technical textiles):-** @ 6% or maximum upto Rs. 10 lakh per year for micro, small & medium enterprise on term loan for new/ expansion/ diversification in addition to interest incentive under RTUFS of Govt. of India for 5 years for garments/ knitting/ embroidery / technical textiles. The list of materials / products falling under technical textiles is mentioned under **Annexure-II**. And 5% for ginning, cotton spinning and power loom MSMEs maximum of Rs. 10 lakh for 5 years in ‘B’, ‘C’ & ‘D’ category blocks and shall not exceed the amount of net VAT/SGST paid in the State by the enterprise during the relevant year.
- (ii) **Agro Industries and Food processing Sector:-** @6% for new micro, small & medium enterprises on term loan or maximum upto Rs. 10 lakh per year for 5 years in ‘B’, ‘C’ & ‘D’ category blocks & shall not exceed amount of net VAT/SGST paid during the relevant year.
- (iii) **Footwear Sector (value addition products excluding leather processing):-**@6% for new micro, small and medium enterprises or maximum upto Rs. 10.00 lakh per year for 5 years in ‘B’, ‘C’ & ‘D’ category blocks limited to amount of net VAT/SGST paid during the relevant year.
- (iv) **Defence /Aerospace Production/Electronic/Auto Components:-** @6% for new micro, small and medium enterprises or maximum upto Rs. 10.00 lakh per year for 5 years in ‘B’, ‘C’ & ‘D’ category blocks limited to amount of net VAT/SGST paid during the relevant year.

2. Commencement and Applicability :

The Scheme shall commence with effect from 15th August, 2015 for providing interest subsidy on term loan and shall remain in operation for a period of 05 years or till the time Government decides otherwise. Such industrial unit to which term loan has been sanctioned after 14th August, 2015 and before 14th August, 2020 shall be admissible for interest subsidy.

3. Eligibility:

All Micro, Small & Medium Enterprises mentioned under clause 1(A) & (B) set up in the identified blocks, which have filed EM Part-II/ Udyog Aadhaar Memorandum with respective District Industries Centre and availed term loan from Financial Institutions (SIDBI, State Financial Institutions, Co-operative Banks, Sarv Haryana Gramin Bank)/ Banks shall be eligible under the scheme. The Industrial Units must also comply with the following conditions:

- (i) The unit should not have been placed in the restrictive list as notified by the State Government from time to time.
- (ii) The unit should have obtained NOC/CLU from Competent Authority if applicable.
- (iii) The unit should be in commercial production.
- (iv) The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.

4. Procedure :

- 4.1 Application on prescribed Form (**Annexure-III**) for the grant of interest subsidy on the term loan, along with listed documents would be submitted to the Director of Industries & Commerce, on the web portal of the department within three months of closing of financial year for which incentive is being claimed.
- 4.2 The application would be processed and examined. The deficiencies, if any, would be communicated to the applicant in writing within a period of 20 working days and the applicant would be given a time period of eight weeks to rectify the deficiencies so pointed out.
- 4.3 In case the deficiencies are not removed within prescribed period, the claim shall be filed by the Competent Authority *i.e.* Additional Director, under intimation to the party through an e-mail. The enterprise shall not be required to submit any additional document other than specified under **Annexure-III** without approval of competent Authority.
- 4.4 The claim application so filed may be reopened with the orders of Director of Industries & Commerce provided request for the same is received within a period of 30 days from the date of rejection of the claim by the designated Competent Authority.

5 Time Limit to apply

An enterprise shall forfeit its entitlement for the interest subsidy on term loan, if it does not submit its claim, complete in all respects within three months of the closing of the financial year of which incentive is being claimed.

6 Competent Authority for sanction

The Director of Industries & Commerce shall be competent authority for sanction of the subsidy above Rs.5 lakh to Rs.10 lakh and Additional Director, Industries upto Rs.5 lakh within 30 days from the date of completion of the claim.

7 Interpretation of Rules

Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation of provisions of this scheme.

8 Appeals

Appeal against the order passed by the Competent Authority shall lie with the Director, Industries & Commerce and appeal against the orders passed by the Director, Industries shall lie with Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of order appealed against.

9 Penal Action

In case, it is found at any stage that the applicant has claimed the assistance on the basis of wrong facts, the applicant shall besides refunding assistance with compound rate of interest @ 12% per annum and facing legal action, will be debarred from grant of any incentive/assistance from the State Government.

DEVENDER SINGH,
Principal Secretary to Government Haryana,
Industries and Commerce Department.

Annexure-I**Credit Linked Capital Subsidy Scheme (CLCSS) for Technology up-gradation of GoI being implemented by Development Commissioner, MSMEs covers the following technology needs/ products/ sub-sectors:**

1. Bio-tech Industry
2. Common Effluent Treatment Plant
3. Corrugated Boxes
4. Drugs and Pharmaceuticals
5. Dyes and Intermediates
6. Industry based on Medicinal and Aromatic plants
7. Plastic Moulded/ Extruded Products and Parts/Components
8. Rubber Processing including Cycle/Rickshaw Tyres
9. Food Processing(including Ice Cream manufacturing)
10. Poultry Hatchery & Cattle Feed Industry
11. Dimensional Stone Industry (excluding Quarrying and Mining)
12. Glass and Ceramic Items including Tiles
13. Leather and Leather products including Footwear and Garments
Electronic equipment viz test, measuring and assembly/manufacturing,
14. Industrial process control; Analytical, Medical, Electronic Consumer & Communication equipment etc.
15. Fans & Motors Industry
16. General Light Service (GLS) lamps
17. Information Technology (Hardware)
18. Mineral Filled Sheathed Heating Elements
19. Transformer/ Electrical Stampings/ Laminations/ Coils/ Chokes including Solenoid coils
20. Wires & Cable Industry
21. Auto parts and Components
22. Bicycle parts
23. Combustion Devices/ Appliances
24. Forging and Hand Tools
25. Foundries- Steel and Cast Iron
26. General Engineering Works
27. Gold Plating and Jewellery
28. Locks
29. Steel Furniture
30. Toys
31. Non-Ferrous Foundry
32. Sport Goods
33. Cosmetics
34. Readymade Garments
35. Wooden furniture
36. Mineral Water Bottle
37. Paints, Varnishes, Alkyds and Alkyd products
38. Agricultural Implements and Post Harvest Equipment
39. Beneficiation of Graphite and Phosphate
40. Khadi and Village Industries
41. Coir and Coir Products
42. Steel Re-rolling and /or Pencil Ingot making Industries
43. Zinc Sulphate
44. Welding Electrodes
45. Sewing Machinery Industry.

Note: The list of products / sub-sectors may be expanded by including new technologies / products / sub-sectors with the approval of the Competent Authority *i.e.* The Govt. of India and Technology Approval Board (GTAB) / Technology Sub-Committee (TSC) of the CLCSS.

Annexure-II**Technical Textiles**

Technical textiles are defined as textile materials and product used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Depending on the product characteristics, functional requirement and end-use applications, the highly diversified range of technical textiles have been grouped into 13 sectors, application-wise:

- (i) Agrotech (Agriculture, Horticulture and Forestry)
- (ii) Buildtech (Building and Construction)
- (iii) Clothtech (Technical components of shoes and clothing)
- (iv) Geotech (Geo-textiles and Civil Engineering)
- (v) Homotech (Components of furniture, household textiles and floor coverings)
- (vi) Indutech (Filtration, cleaning and other industrial usage)
- (vii) Meditech (Hygiene and Medical)
- (viii) Mobiletech (Automobiles, Shipping, Railways and Aerospace)
- (ix) Oekotech (Environmental Protection)
- (x) Packtech (Packaging)
- (xi) Protech (Personal and Property Protection)
- (xii) Sporttech (Sports and Leisure)
- (xiii) Defencetech (Textiles for defense use)
- (xiv) Any other product as notified by Ministry of Textiles, Government of India and State Government, time to time.

Annexure –III

Application format for claiming Interest subsidy on term loan.

Sr. No.	Particulars	Details
1	Name of the applicant (Authorized person of the unit)	
2	Name & Address of the unit with telephone No. and e-mail	
3	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership)]	
4	Name of the block in which the enterprise located and category of blocks <i>i.e.</i> B/C/D	
5	Category of the unit (Micro/ Small/ Medium).	
6	EM Part-II/UAM No. & date	
7	Date of commencement of commercial production (As per first sale bill)	
8	Item of manufacture/processing	
9	Category under which interest subsidy has been claimed (i) Micro & Small (ii) Textile Sector (apparel/ knitting/ embroidery/ technical textiles) (iii) Agro industries and Food processing sector (iv) Footwear sector (v) Defence/Aerospace/Electronic/Auto Components	
10	Whether the project is new/ expansion/ diversification	
11	Whether the expansion/diversification/ modernization is covered under CLCSS of Govt. of India. If yes, give details.	
12	Name of the bank/ financial institution	
13	Quantum of term loan sanctioned for the project	
14	Date of disbursement of first instalment of loan & amount	
15	Cost of project as approved by bank/ financial institute	
16	Details of Fixed Capital Investment: (i) Land (ii) Building (iii) Plant & Machinery/ Equipments (iv) Others Total	
17	Means of Finance (i) Promoters' Contribution (ii) Term Loan (iii) Others resources Total	
18	Rate of interest subsidy applicable <i>i.e.</i> 5% or 6%	
19	Quantum of Interest Subsidy admissible for the financial year as per scheme applicable. (Attach bank certificate as per prescribed proforma)	
20	Details of net VAT/SGST deposited by the applicant during the financial year of which claim has been filed (attach DETC certificate)	
21	Details of interest subsidy claimed earlier year-wise	

22. Self attested copies of documents to be attached with the application:

- (i) Acknowledgement of Entrepreneur Memorandum (EM) part-II/ UAM.
- (ii) Certificate of Incorporation/ Partnership deed.
- (iii) Board resolution/ Power of attorney
- (iv) Change of Land Use (CLU)/ NOC from competent authority, if applicable.
- (v) Certificate for Financial Institution on Letter Head of the Bank (Annexure-IV)
- (vi) CA Certificate regarding investment in plant & machinery for new unit/ expansion/ diversification (Annexure-V).
- (vii) Audited balance sheet of the unit of last year (if Applicable).
- (viii) Certificate from concerned Deputy Excise & Taxation Commissioner (Sale Tax) regarding net VAT/SGST deposited by the applicant during the financial year of which claim has been filed (Annexure-VI).
- (ix) Copy of first sale bill.

Signature of the applicant
(with seal)

Undertaking/Declaration (to be submitted on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number) or First Class Magistrate):

I, _____ do hereby solemnly state that I am proprietor/ partner/ director/ _____ of M/s _____ located _____ which is engaged in the manufacture of _____ and I have been authorized to file the Interest subsidy claim with the Department of Industries and Commerce, Haryana.

2. I, do hereby affirm that the particulars given in the application are correct. In case any of the statement/ information furnished in the application/ documents later found to be wrong or incorrect or misleading, I, do hereby undertake to refund the entire amount of assistance of Rs. _____ (Rupee _____) granted to me at the compound rate of interest @12% per annum, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification/ checking or otherwise at any stage.

Dated:

Signature of the applicant
(with seal)

Annexure-IV**Certificate from financial institution
(on letterhead of the bank)**

This is to certify that M/s has been sanctioned term loan of Rs. for the project located at @ % interest.

The unit has been disbursed term loan of Rs. upto The first instalment of the term loan of Rs. was disbursed on dated

The unit had made repayment for the last financial year dated 01/04/20.... to dated 31/03/20.... as under:-

Against Term loan	Rs.
As interest	Rs.
Total	Rs.

On the disbursement amount of term loan mentioned above, the interest amount for the above period comes to Rs. at (5% or 6% whichever is applicable).

This is to certify that:

- (i) The unit is presently regular in repayment of the term loan instalments.
- (ii) No penal interest has been charged.
- (iii) The above interest has been charged/ calculated on the original term loan sanctioned to the unit.
- (iv) No enhancement of term loan has been made.

Whether Unit has claimed Credit Linked Capital Subsidy Scheme of Govt. of India, if yes, give detail.

Place:

Date:

Signature
Branch Manager
Name of Bank

Seal of the Bank

Annexure-V**Certificate from Chartered Accountant regarding investment in plant & machinery (on a CA letter head)
To whom it may concern**

The records of M/s with their regd. office at and factory located at in respect of investment in plant & machinery* (original purchase value) of the company has been verified. It is certified that the investment in plant & machinery as on date..... stands as Rs.....

- In case of expansion/ diversification, indicate investment in plant & machinery of existing as well as additional separately.

Dated:

Name & signature of the Chartered Accountant

with stamps & CA membership number

Annexure-VI

Certificate of net VAT/SGST paid during the financial year _____ to be obtained from concerned Deputy Excise and Taxation Commissioner.

1. Name and Address of the Industrial Unit:
2. VAT/SGST Registration No.:
3. Net amount of VAT/ SGST paid
by the company during the financial year _____
4. Certified that net VAT/SGST amount of rupees _____ has been deposited in the State on the sale of
goods/ products manufactured by M/s _____ during the financial year _____
5. It is also certified that no refund what so ever has been made to the unit out of the above amount given in
Sr. No. 4.

Date:

Deputy Excise & Taxation Commissioner
District _____

HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 10th June, 2016

No. 49/43/2015-4IBI.—In pursuance to Enterprises Promotion Policy, 2015 notified *vide* No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to formulate the State Mini Cluster Development Scheme for promotion of Micro & Small Enterprises in the State as per details given below:

1. Background:

The State Government has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro & Small Enterprises (MSEs) in the State. A cluster is a group of enterprises located within an identifiable and as far as practicable, contiguous area and producing same/ similar products/ services. The essential characteristics of enterprises in a cluster are (a) Similarity in the methods of production, quality control and testing, energy consumption, pollution control, *etc.* (b) Similar level of technology and marketing strategies/practices (c) Channels for communication among the members of the cluster (d) Common challenges and opportunities.

2. Objectives of the Scheme:

- (i) To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, etc.
- (ii) To build capacity of MSEs for common supportive action through formation of self help groups, consortia, upgradation of associations, etc.
- (iii) To set up common facility centres (for testing, design, R&D training centre, effluent treatment, complementing production processes, etc.).

The State Government has felt need to facilitate the Micro & Small industrial units and has come out with a new scheme, totally supported by the State to meet out the above objectives. The guidelines of the State Mini Cluster Development scheme are as under:

3. Eligibility:

A group of minimum 10 Micro and Small functional industrial units of similar activity in a identified area, which have filed entrepreneur memorandum Part-II/ UAM may apply. The CFC shall be functional within two years from the date of final approval, unless extended with the approval of Steering Committee.

4. Diagnostic Study:

The first and foremost activity in the cluster development process is to conduct a diagnostic study to map all the business processes of the units viz. manufacturing processes, technology, marketing, quality control, testing, purchase, etc to find out its strengths, weaknesses, threats and opportunities (SWOT) and a well-drawn action plan for enhancing competitiveness and to position the cluster on a self sustaining trajectory of growth.

Diagnostic Study Report (DSR) is very important document and the study should be conducted with special attention. The Study should focus on enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation, etc. There has to be direct linkages between the problems highlighted in the report and the measures suggested for improvement.

5. Soft Interventions:

Soft activities under the programme would consist of activities which lead to creation of general awareness, counseling, motivation and trust building, exposure visits, market development including exports, participation in seminars, workshops and training programmes on technology up gradation, etc. These interventions bring about general attitudinal changes necessary to initiate improvement in the existing style of working of the MSEs in the cluster. It is necessary to prepare a Diagnostic Study Report (DSR) including validated action plan, performance indicators/ milestones to evaluate the project, before undertaking Soft Interventions. Activities are undertaken as per approved action plan included in DSR.

- (a) The critical mass in a cluster for effectively realizing the demonstrative impact of soft interventions should be maximum but not less than 10 units participating in the cluster development activities.
- (b) Maximum limit for soft intervention shall be Rs. 10.00 lacs per cluster. The grant-in-aid @ 80% shall be available for such soft interventions. The remaining amount of 20% shall be contributed by the

Special Purpose Vehicle (SPV). The cost towards soft intervention shall be adjusted in the total eligible grant of Rs.1.80 crore.

- (c) The assistance of Rs. 1 Lakh shall be provided for conducting the Diagnostic study through MSME Development Institute, Karnal of GoI or any consultant. The assistance against the Diagnostic study report duly validated by the concerned Joint Director/ Deputy Director shall be provided from the consultancy scheme meet for seeking consultancy services for implementation of MSMEs schemes.

6. Hard Interventions:

Hard Interventions under the programme will consist of creation of tangible “assets” as Common Facility Centres (CFCs) like Common Production/ Processing Centre (for balancing/ correcting/improving production line that cannot be undertaken by individual units), Design Centres, Testing Facilities, Training Centre, R&D Centre, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics Centre, Common Raw Material Bank/Sales Depot, *etc.*

- (a) The State Grant will be restricted to 90% of the cost of project with a maximum project cost of Rs. 2.00 crores. The cost of project includes cost of land and building (subject to maximum of 25% of Project cost), machinery & equipment, miscellaneous fixed assets. The SPV shall arrange the working capital if any, from its own resources and furnish documentary proof of margin money for working capital before the release of the final installment of grant in aid.
- (b) The entire cost of land shall be borne by the SPV. In case of existing land and building is provided by stakeholder, the cost of land and building will be decided on the basis of valuation report prepared by an approved agency of the State Government. The cost of land and building shall be taken towards the contribution of the SPV in the project. CFC can also be set up on leased premises, however, irrevocable lease shall be not less than a period of 10 years.
- (c) It is necessary to form an SPV prior to setting up of and running the proposed CFC. The SPV shall consist of members who fall under the definition of ‘Micro and Small enterprises’. The member units should have filed EM Part-II/ UAM with the concerned DIC. The SPV should have a character of inclusiveness wherein provision for enrolling new members to enable prospective entrepreneurs in the cluster to utilize the facility should be provided. In addition to the contributing members of the SPV, the organizers should obtain written commitments from ‘users’ of the proposed facilities so that its benefits can be further enlarged. The bye-laws of SPV should have provisions for one State Govt. officer as member of the SPV.
- (d) There should be a minimum of 10 MSE cluster units serving as members of the Special Purpose Vehicle (SPV). There is no ceiling on the maximum number of members.
- (e) The share of the cluster beneficiaries should be as high as possible but not less than 10 per cent of the total cost of CFC. State Government contribution will be considered as gap funding. All the participating units should be independent in terms of their financial stakes and management. No single unit will hold more than 10 per cent in the equity capital (or equivalent capital contribution) of the SPV.
- (f) Contribution by the SPV or the beneficiaries’ share should be made upfront.
- (g) The CFC may be utilized by the SPV members and as also others in the cluster.
- (h) The CFC should be operationalized within two years from the date of final approval, unless extended with the approval of Steering Committee.
- (i) Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the SPV.
- (j) User charges for services of CFC shall be close to prevailing market prices, as decided by the Governing Council of the SPV. The SPV members may be given reasonable preference in user charges and capacity utilization.
- (k) The CFC with cost higher than Rs 2.00 crore can also be considered. However, the State grant will be calculated with project cost ceiling of Rs 2.00 crore.
- (l) An Agreement between State Government and the SPV shall be signed for CFC projects. The format of the agreement is given at **Annexure-A**.

7. How to apply:

The beneficiaries of mini cluster shall submit preliminary application to the Director of Industries & Commerce, Haryana consideration of grant with a copy to the concerned Joint Director/Deputy Director, District Industry Centre.

8. Project Approval:

The project shall be sanctioned and implemented under the guidance of State Level Steering Committee. The members of the Committee shall be as under:

1.	Administrative Secretary, Industries & Commerce	Chairman
2.	Representative of Finance Department	Member
3.	Director, MSMEs Development Institute of GoI at Karnal	Member
4.	General Manager/ DGM, Haryana Financial Corporation (project appraising body)	Member
5.	Representative of Punjab National Bank (Lead Bank of the State)	Member
6.	Director, Industries & Commerce	Member-Secretary

Note: The Chairman of the State Level Steering Committee can co-opt any other member at his discretion and the proposal shall be sanctioned by the committee within 30 days from the date of completion of the documentation.

- 8.1. DPR shall be got appraised through Haryana Financial Corporation or any other scheduled bank, at the cost of SPV.
- 8.2. The meeting shall be convened once in two months. Meeting can however, be called at any other time at the discretion of the Chairman of the State Level Steering Committee.
- 8.3. These preliminary applications along with a Diagnostic Study Report (DSR) shall be put up to the office of Director Industries & Commerce for acceptance. On acceptance, the case shall be put up to the State Level Steering Committee meeting for approval for conducting Detailed Project Report (DPR).
- 8.4. The DPR shall be prepared by the Special Purpose Vehicle (SPV) through their Consultant, who is competent to prepare such document and having sufficient experience of conducting similar studies in the past. The DPR shall also be got validated by the members of the SPV and the representative of concerned Joint Director/ Deputy Director. The SPV may apply for grant-in-aid amounting to Rs. 3.00 lacs to conduct the DPR. Director Industries & Commerce shall be competent to sanction cost of Rs.3.00 lakh as DPR charges to be paid to the Consultant. The cost of DPR shall be adjusted in the total eligible grant of Rs. 1.80 crores.
- 8.5. The project implementation shall be done by a committee constituted by the SPV under the supervision of the concerned Joint Director/ Deputy Director.
- 8.6. **Purchase Committee:** The Purchase Committee shall consist of the following members.

1.	Joint Director / Dy. Director, DIC of the concerned District	Chairman
2.	One Accounts Officer to be nominated by the Deputy Commissioner of the District.	Member
3.	3 nominated SPV members	Member
4.	Consultant of project	Member

- 8.7. This Purchase Committee will ensure the transparency in the process of preparation of RFP/ floating of tenders and its finalization as per the GFR.

9. Disbursement of Grant-in-aid

For disbursement of grant-in-aid for hard interventions, the SPV shall have to raise its contribution upfront. The grant-in-aid shall be disbursed in two tranches:

- 9.1. 1st Tranche of grant-in-aid shall be released after compliance of the following formalities:
 - (a) Land should be registered in the name of the Special Purpose Vehicle (SPV)
 - (b) The SPV has opened the bank account dedicated for the purpose of deposit of contribution of the SPV and State Government grant.
 - (c) Documentary proof of margin money contribution for working capital.
 - (d) After execution of the agreement by SPV with the State Government as per **Annexure-A**.

- (e) 50% (1st Tranche) amount of grant-in-aid shall be released only after Purchase Committee constituted for this purpose has recommended the grant-in-aid after ensuring that the transparent tendering process for construction of building and procurement of machinery has been finalized.
- 9.2. 2nd and final tranche of grant-in-aid shall be released after compliance of the following formalities:
 - (a) Submission of Utilization Certificate (UC) of the 1st tranche of grant-in-aid duly verified by concerned Joint Director/ Deputy Director of District Industries Centre.
 - (b) Physical Inspection Report of the status of CFC by the concerned Joint Director/ Deputy Director of District Industries Centre.
 - (c) Recommendations of the Purchase Committee (Minutes) for release of 2nd tranche of grant-in-aid with the details of plant & machinery finalized.
- 9.3. Pending utilization of State Government grant, the funds will be parked in a separate dedicated account created for this purpose. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursement under the scheme.
- 9.4. The capping limit of grant-in-aid including soft interventions, cost of DPR etc., shall be Rs. 1.80 crores.

10. Monitoring and Evaluation

- 10.1. The State Level Steering Committee (SLSC) will be the apex body for coordinating and overseeing the progress of the projects.
- 10.2. SLSC will also facilitate the SPV members for obtaining State Government approvals from the other department.
- 10.3. The project implementation period shall be 2 years from the date of approval by SLSC. This period can be extended by the SLSC, keeping in view the justification of the delay.
- 10.4. The SPV will run the Common Facility Centre (CFC) for a period of 10 years from the date of going into operation. In case of its closure and violation of the terms & conditions of the sanction letter by the SPV, the possession of the CFC shall be taken over by the State Government.
- 10.5. The SPV shall, at its own cost, insure and keep insured all the plant, machinery, fixtures and equipment of the CFC for a minimum period of 10 years. In case of loss or damage to such plant, machinery, fixtures and equipment, *etc.*, the insurance claim shall be payable to the State Government.
- 10.6. All plant, machinery, fixtures and equipment procured for the purpose of the CFC with the support of the State Government grant shall be the exclusive property of the Government.
- 10.7. The establishment of the CFC, including civil works, if any, shall be completed by the SPV within 18 months of the receipt of the Sanction Letter, or such extended time as the State Government may, on its satisfaction as to the reasons of delay, grant.
- 10.8. Books of Accounts of the expenses incurred for the purchase of fixed assets for the purpose of setting up of CFC shall be maintained by the Implementing Agency. The accounts books shall be open for inspection by the statutory auditors/auditors of the State Government.
- 10.9. SPV will submit a copy of audited balance sheet at the close of each financial year in the office of concerned JD/DD, DIC before September.

DEVENDER SINGH,
Principal Secretary to Government Haryana,
Industries and Commerce Department.

Annexure-A**Format for Agreement between Special Purpose Vehicle (SPV) and State Government for funding under State Mini Cluster Development Scheme (SMCDS).**

This agreement is made at on this theth day of 20.... between (1) the Governor of Haryana, acting through and represented by Director General of Industries and Commerce (hereinafter after referred to as the 'State Government'), (2) Special Purpose Vehicle (SPV), having its registered office at..... represented by its Managing Director/Chief Executive Officer (hereinafter referred to as the 'SPV') duly authorized by their Board of Directors/society.

WHEREAS the State Government has introduced a scheme named as "State Mini Cluster Development Scheme" with the objective of capacity building of micro and small enterprises (including small scale service and business entities) and their collectives in the country;

AND WHEREAS the SPV has been created and constituted as a partnership firm/trust/ society/co-operative society/company, *inter alia*, to create, establish, run and maintain a Common Facility Centre at(the CFC) for the use and benefit of its members and of other units engaged or coming up in the same industry, trade or vocation in theof(the Cluster);

AND WHEREAS the SPV has submitted a project for approval of the State Government under the SMCDS;

AND WHEREAS the State Government has approved the project submitted by the SPV subject to the conditions mentioned in the sanction letter No. dated, which shall be deemed to be a part of this Agreement and the State Government has also agreed to contribute towards the cost of establishment of the CFC;

AND WHEREAS for binding the Parties to their respective obligations and to ensure long term use of the CFC by the enterprises in the Cluster, the Parties are desirous to enter into an agreement;

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:-

1. The SPV shall set up the CFC at..... on a piece of land to be provided by it free of all encumbrances and charges.
2. The SPV shall contribute to the cost of establishment of the CFC from its resources to the extent and in the form as laid down in the Sanction Letter.
3. The State Government shall, on satisfactory proof of the contribution by the SPV, make their respective contributions towards the cost of establishment of the CFC, at such time, in such manner and to such extent as laid down in the Sanction Letter.
4. The establishment of the CFC, including civil works, if any, shall be completed by the SPV within 18 months of the receipt of the Sanction Letter, or such extended time as the State Government may, on its satisfaction as to the reasons of delay, grant.
5. The SPV shall be exclusively responsible for the day-to-day running of the CFC. The aim of running the CFC shall be to provide common services to the enterprises in the Cluster at affordable cost as well as to generate enough income to meet all its running expenditure, depreciation and provision for replacement/expansion of capital assets. However, any shortfall or excess of income over expenses shall be kept or borne by the SPV only.
6. The disbursement of funds by the State Government will be made only after the upfront contribution is made by the SPV.
7. The amount of grant-in-aid shall be withdrawn and utilized by SPV for the purpose for which it has been sanctioned by the State Government. The grant amount shall not be used for working capital.
8. Further, the SPV/implementing agency will ensure that necessary infrastructure like provisioning of land including provision of water and power supply for CFC is completed before they approach State Government for release of its share.
9. Pending utilization of State Government grant, the funds will be parked in a separate dedicated account created for this purpose. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursement under the scheme.
10. State Government will reserve the right to carry out physical verification of the assets acquired with the funds or initiate any other enquiry as it may deem fit to satisfy the competent authority with regard to the proper utilization of the funds released.
11. The SPV shall furnish utilization certificates for amounts released as grant-in-aid duly verified by the statutory auditors/ JD/DD, DIC of the concerned district.
12. The State Government will act as a facilitator to supervise and evaluate the progress of the project separately.

13. All plant, machinery, fixtures or equipment procured for the purpose of the CFC out of or with the support of the State Government grant shall be the exclusive property of the State Government, though in the custody and use of the SPV.
14. The SPV shall, at its own cost, insure and keep insured all the plant, machinery, fixtures and equipment of the CFC for a minimum period of 10 years. In case of loss of or damage to such plant, machinery, fixtures and equipment, etc., the insurance monies shall be payable to the State Government.
15. The SPV shall observe all the conditions and stipulations of the Sanction Letter.
16. The management of the SPV and the operation of the CFC shall be in accordance with the State Government Guidelines dated, which shall be deemed to be a part of this Agreement.
17. The SPV shall keep all monies not immediately required in interest bearing deposits with any Scheduled Bank in India.
18. In the event of any liquidation or bankruptcy proceedings or any threatened distress action against the SPV or any of its assets all plant, machinery, fixtures and equipment procured for the purpose of the CFC out of or with the support of the State Government grant shall be outside such proceedings and the State Government may assume the control and management of the SPV and appoint any of its officer to run the CFC.
19. The SPV represents and warrants:
 - A. That it has been duly constituted under the law as applicable and has full authority to enter into this Agreement.
 - B. That this agreement is binding upon it in all its provisions.
 - C. That it shall work on mutual co-operation basis on sound managerial and business principles and no managerial changes shall be made which may adversely affect the smooth functioning of the CFC.
 - D. That it shall keep all the plant, machinery, fixtures and equipment in good working order and shall undertake all preventive and remedial maintenance and upkeep and maintain insurance.
 - E. That the plant, machinery, fixtures and equipment procured out of or with support of the State Government, is the property of State Government and the SPV shall not sell, hypothecate, mortgage, charge or create any encumbrances against the said plant, machinery, fixtures and equipment or any part of it in favour of any person, for any reason or transaction.
 - F. That the SPV shall follow the directions of the State Government, as may be issued from time to time for better management of the SPV or the better running of the CFC.
 - G. That the SPV acknowledges that the State Mini Cluster Development Scheme provides for only one time grant towards capital cost of establishing the CFC and no subsidy/grant/assistance is envisaged for the recurring expenses or for replacement, renovation or expansion of the capital assets.
 - H. In the event, if it is found that the SPV has not utilized the amount of grant, or any part of it, for the setting up of the CFC or has subsequently sold or otherwise disposed of any of the assets of the CFC acquired out of the grant, the State Government, without prejudice to any other rights, shall be entitled to recover the amount of loss as arrears of land revenue from the SPV and / or persons connected with its management jointly and severally.
20. In case of any disputes or differences arising from, in relation to or in connection with this Agreement and not otherwise provided for in the succeeding clause, shall be settled by arbitration through reference to a sole arbitrator nominated by the State Government under the provisions of the Arbitration and Conciliation Act, 1996.
21. In case of violation of the stipulated conditions or non observance of the Sanction Letter or the State Government Guidelines by the SPV which is not cured within 15 days of issue of notice by the Industries Department, may, for such time as it may think proper, assume the management of the SPV, to assure proper functioning of the CFC. The decision of State Government in this regard will be final. In such event the SPV shall have no claims for any investment made in the CFC or its management.
22. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions, which shall remain in full force.

23. No amendment to this agreement shall be valid unless expressed in writing and duly signed by both the Parties.
24. This agreement does not constitute any partnership of the State Government with SPV and the State Government shall not be responsible for any act, omission, negligence, etc. of the SPV or its employees, agents or contractors or any injury suffered or claim made by any person in respect of the working of the CFC.
- (1) State Government, Represented by Shri.....
- (2) Special Purpose Vehicle Represented by Shri.....

Witnesses:

1.
2.